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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

UNIVERSITY OF SOUTHERN
CALIFORNIA,

Opposer,

v.

UNIVERSITY OF SOUTH CAROLINA,

Applicant.

Opposition No. 125,615

Serial No. 75/358,031

Mark: SC (Stylized)

Filed: September 16, 1997

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UNIVERSITY OF SOUTH CAROLINA,

Petitioner,

v.

UNIVERSITY OF SOUTHERN
CALIFORNIA,

Respondent.

Opposition No. 125,615

Reg. No. 1,844,953

Mark: SC (Word Mark)

Registered: July 12, 1994

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OPPOSER AND CROSS-RESPONDENT'S

REPLY IN SUPPORT OF MOTION TO DISMISS

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I. INTRODUCTION

The arguments of the University of South Carolina ("Carolina") in opposition to this motion basically amount to nothing more than claim that: "Because we have made allegations using the right statutory language, this Board should ignore all law interpreting that language and all judicially recognizable facts that disprove our claim." Indeed, Carolina goes so far as to suggest that, since it has alleged that the University of Southern California ("California") made certain statements in its filing with the Patent and Trademark Office, this Board should look at the allegations alone and ignore the actual filings themselves, which do not support such allegations. The plain fact is that such claims cannot survive a motion to dismiss in the face of clear law and judicially recognizable facts.¹

II. ARGUMENT

A. Notwithstanding Carolina's Citation to Irrelevant Cases, The Letters "SC" Are Not an "Insignia" Within the Meaning of 15 U.S.C. § 1052(b)

In its moving papers, California explained that, as a matter of law, the letters "SC" by themselves cannot constitute an "insignia" of the State of South Carolina within the meaning of 15 U.S.C. § 1052(b). As the T.M.E.P. itself explains, "insignia" for the purpose of § 1052(b) refers to graphical insignia that are emblems of governmental authority and should be interpreted narrowly. T.M.E.P. § 1204 (3d ed. rev. June 2002); *see also Heroes, Inc. v. Boomer Esiason*

¹ Carolina also spends time in its opposition to this motion arguing that its sports teams have used various "SC" marks in the past. This fact is irrelevant. Even if Carolina had used the mark in a way that permitted merchandising (and there is not even the allegation of any historical merchandising for any SC mark by Carolina), such facts would at most amount to a limited common law right for Carolina. It would not affect this counterclaim, because it would not permit Carolina to cancel a valid, subsisting, incontestable mark that registered more than five years ago.

Hero's Found., Inc., 43 U.S.P.Q. 2d 1193, 1198 (D.D.C. 1997). As noted in the moving papers, this Board has previously addressed the question of initials and found that they are not generally protectable under § 1052(b). *U.S. Navy v. United States Mfg. Co.*, 2 U.S.P.Q. 2d. 1254, 1256 (T.T.A.B. 1987) ("The letters 'USMC' are nothing like a flag or coat of arms. These types of insignia are pictorial in nature, they can be described, but cannot be pronounced.").

Carolina argues in response that "[i]t has been held that letters themselves may indeed form an insignia." Opposition at 4, citing *Ives Laboratory v. Darby Co.*, 638 F.2d 538, 540 fn. 4 (2d Cir. 1981), *overruled by Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 72 L. Ed. 2d 606, 102 S. Ct. 2182 (1982), and *L.G. Balfour Co. v. FTC*, 442 F.2d 1, 7 (7th Cir. 1971).

The cases hold nothing of the sort. In fact, neither case involved any question about – or even mention of – 15 U.S.C. § 1052(b), much less any discussion of whether a set of initials could qualify as an "insignia" within the narrow meaning of that statute. Although Carolina implies that these cases are relevant to this Board's determination, it is quite clear from a review of the cases themselves that they have no relationship to the question of whether mere initials can satisfy the requirements of 15 U.S.C. § 1052(b).

In the *Ives Laboratory* case, the "insignia" at issue was nothing more than a notation on certain pills, which notation was not being used as any sort of source identifier. *See generally, Ives Laboratory*, 638 F.2d at 540 (describing claims that coloring scheme for certain pills was a source identifier). The word "insignia" was simply used by the Second Circuit as a synonym for the word "notation," when the Second Circuit observed (in a footnote) that the pills sold by plaintiff Ives could only be distinguished from the alleged copycat drugs by the fact that they bore the insignia of "NDC 258" in small print on the actual pills. *Ives Laboratory*, 638 F.2d at

540 n.4. There was no discussion of whether or not the use of the letters "NDC 258" constituted a trademark use (and in that case it did not), much less whether the letters would qualify as a pictorial "insignia" reflecting sovereign authority as that term is used in 15 U.S.C. § 1052(b).

The *L.G. Balfour* case is equally far afield. The *L.G. Balfour* case addressed whether various national fraternity groups violated the antitrust laws by requiring local chapters to purchase insignia products from specific sources. *L.G. Balfour*, 442 F.2d at 6. The case mentioned in passing that "[e]ach buyer fraternity has its own distinctive insignia and crest" and further explained that the insignia of the major buyers included two or three Greek letters as part of the insignia. *Id.* at 7. Naturally, there was no mention of 15 U.S.C. § 1052(b), and of course, again nothing about this case raised the issue – even in passing – of whether two letters, standing alone, can constitute a state seal or "other insignia" of sovereign authority within in the meaning of 15 U.S.C. § 1052(b).

The plain fact is that, notwithstanding the conclusory allegation in the Counterclaim that the letters "SC" are an insignia, as a matter of law such letters cannot qualify as an insignia under the established law and practice of 15 U.S.C. § 1052(b). Carolina's argument amounts to the claim that the initials cannot ever be registered since 15 U.S.C. § 1052(b) precludes any such registration. However, as California noted in its opening papers, there are hundreds of registrations (including a myriad of word marks) that reflect the initials of the United States and various individual states. Although California believes that the evidence submitted with its opening papers is appropriate at this stage in the case, California herewith submits a supplemental request for official notice with further evidence from this Office demonstrating numerous word marks for SC, US, and USA. *See* Supplemental Request for Official Notice and Tab 1-27 of Exs. A to B thereto. There is simply no valid basis for the allegation that the Patent

and Trademark Office violated 15 U.S.C. § 1052(b) in registering all of the various marks that include these initials. *See generally In re Horwitt*, 125 U.S.P.Q. 145 (T.T.A.B. 1960) (approving registration of "U.S. Health Club" over objection that mark included a designation for the United States).² This claim must be dismissed.

B. The Mere Allegation that the Letters "SC" Uniquely Identify South Carolina, in the face of Judicially Recognizable Facts to the Contrary, Will Not Suffice to Survive a Motion to Dismiss

Carolina does not (and cannot) dispute that any claim under 15 U.S.C. § 1052(a) requires that the mark in question be "uniquely associated" with a party other than the registrant.

T.M.E.P. § 1203.03(e) (emphasis added) (citing *In re Nuclear Research Corp.*, 16 U.S.P.Q. 2d 1316, 1317 (T.T.A.B. 1990), *Buffett v. Chi-Chi's, Inc.*, 226 U.S.P.Q. 428, 429 (T.T.A.B. 1985), and *In re Cotter & Co.*, 228 U.S.P.Q. 202, 204 (T.T.A.B. 1985)); *University of Notre Dame du Lac v. J.C. Gourmet Food Imports Co., Inc.*, 703 F.2d 1372, 1375-77 (Fed. Cir. 1983), *aff'g* 213 U.S.P.Q. 594 (T.T.A.B. 1982).

Instead, Carolina makes the preposterous claim that "SC" is uniquely associated with the State of South Carolina such that the use of the "SC" trademark would necessarily suggest an affiliation by the University of Southern California with the state of South Carolina. In essence,

² California acknowledges the existence of a 1920 case in which the D.C. Appeals court summarily rejected, in a one-paragraph order, an attempt to register a mark containing US for shoes. Not only was this case on distinctive and different facts (since a consumer might have misconstrued such shoes as being military-issued shoes from World War I), but the case is clearly an aberration. No case after 1920 has ever considered or cited to that case, the *Horowitz* case is to the contrary, and the Patent and Trademark Office has approved a myriad of registrations since 1920 which contain the initials U.S. or U.S.A. California submits herewith in its Supplemental Request for Official Notice evidence of various word marks and other trademarks that contain the initials U.S. or U.S.A. *See generally* Supplemental Request for Official Notice and Tabs 12-53 of Exs. B-C.

Carolina asks this Board to take such a claim on faith merely because Carolina has the nerve to make such an allegation, and ignore any judicially recognizable facts to the contrary.

In fact, as California noted in its original Request for Official Notice (and as it further documents in its Supplemental Request for Official Notice), there are a wide variety of entities and items which use the initials "SC," including the element Scandium and the Seychelles Islands. *See generally*, Request for Official Notice ¶¶ 3, 12-13 and Exs C, L and M; Supplemental Request for Official Notice Tabs 1-11 of Ex. A. Indeed, Carolina effectively admits as much, and contends that it does not object to certain variations of other "SC" marks but simply to the generic word mark. But Carolina's admission is dispositive, since the fact that other entities use the letters "SC" in a myriad of other contexts means that the letters "SC" cannot be "uniquely and unmistakably associated" with Carolina as would be required to cancel under 15 U.S.C. §1052(a). This claim must be dismissed.

D. Carolina's Fraud Allegations Contradict the Plain Record, and In Any Event Would Not Survive Rule 9(b)

Carolina's attempt to save its fraud claim is similar to its attempts to save its other claims: Carolina asks this Board to take the allegation on faith and ignore the officially recognizable facts to the contrary. However, on a motion to dismiss, this Board need not and should not accept allegations which contradict clear law or officially recognizable facts from the files at issue in the petition to cancel. *Sebastian v. United States*, 185 F.3d 1368, 1374 (Fed. Cir. 1999), *cert. denied* 529 U.S. 1065 (2000); 37 C.F.R. § 2.122(b).

1. Carolina Continues to Misrepresent the Actual Statement by California

Carolina repeats in its opposition the allegation from the Counterclaim that California claimed to have used the mark in commerce on all goods for which registration was sought.³

Once again, California would simply ask the Board to look at the statement itself, which California submitted in its Request for Official Notice. *See* Request for Official Notice Ex. G. There is simply no such statement in the claim.

Moreover, to the extent that Carolina would suggest that the claim was made by implication because of the requirements of T.M.E.P. § 903.09, that provision explicitly allows a party to specify a date of first use for the class generally, rather than for all items in the class. The T.M.E.P. then merely *suggests* that an applicant specify the particular item, but it does not appear to require it. Compare the prior sentence, which requires that a class "must" have an item to which the date pertains, with the second sentence, which suggests that the applicant "should" identify that item. T.M.E.P. § 903.09. Such language does not suggest any intentional misrepresentation by California.

In any event, it has been long established that a mere technical failure to comply with various non-substantive formalities does not constitute or demonstrate fraud on the Trademark Office or provide a basis for canceling an incontestable mark. *Morehouse Mfg. Corp. v. J. Strickland & Co.*, 407 F.2d 881, 954 (C.C.P.A. 1969) ("[N]othing is to be gained and no public

³ Actually, the allegation now being made in Carolina's opposition is slightly different than the allegation actually in the Counterclaim. In the Counterclaim, Carolina had alleged statements about use in two different years by California. [Counterclaim ¶ 20.] Carolina has now apparently looked at the actual statement sufficiently to realize that only one year is referenced, but Carolina has *still* apparently chosen not to consider the actual wording of the statement.

purpose is served by canceling the registration of a technically good trademark because of a minor technical defect in an affidavit."), *see also CarX Serv. Sys., Inc. v. Exxon Corp.*, 215 U.S.P.Q. 345 (T.T.A.B. 1982) (registration valid despite reference to inadequate first use date). This is particularly true where the Patent and Trademark Office accepted the affidavit notwithstanding a possible technical defect on the face, and thereby induced the registrant to assume that the affidavit it submitted was sufficient. *First Jewellery Co. of Can., Inc. v. Internet Shopping Network LLC*, 53 U.S.P.Q.2d 1838 (S.D.N.Y. 2000).

2. Moreover, Even If California Had Made Such a Statement, Carolina Still Has Not Pled Facts with Particularity that Would Show the Alleged Misstatement to be Material

In addition, Carolina must do more than merely show that California made a questionable statement. Pursuant to Rule 9(b), Carolina must allege specific facts that would show that such a questionable statement amounted to fraud.

Carolina attempts to shirk this responsibility by claiming that it has generally pled that the Patent and Trademark Office relied on the alleged false statement and improperly issued the registration as a result. However, such a general allegation is not sufficient to meet the requirements of Rule 9(b).

As California explained in its opening brief, Carolina must show not only a false statement, but a false statement which would have been material. In other words, Carolina must allege with particularity a misrepresentation that affected the decision to issue the registration. *Zip Dee, Inc. v. Dometic Corp.*, 900 F. Supp. 1004, 1009-10 (N.D. Ill. 1995) (quoting 4 McCarthy § 31.21[2][b][v]). As the *Zip Dee* court explained:

To paraphrase, the test is whether – considering all of the evidence that was before him – the Examiner would still have allowed the registration if the misrepresentation was removed from the decision-making mix.

Zip Dee, 900 F. Supp. at 1010.

Although Carolina cites to its bald allegation that the Patent and Trademark Office relied on the alleged misstatement about first use dates, such a conclusory allegation will not survive Rule 9(b). Carolina has not alleged facts (and cannot allege facts consistent with Rule 11) which would contradict California's statement that it was using the mark in commerce on all of the identified goods by the time it filed the statement of use in 1994. Carolina has certainly not alleged with any particularity any reason to believe that California was not using the mark on those goods in 1994.

As long as California was actually using the mark in commerce on all of the identified goods at the time it finally filed the statement of use in 1994, then the first use date for any particular good is irrelevant. Carolina has alleged no misstatement that constitutes a "but-for" cause of registration, and it is clear that even if the alleged misstatement were corrected, the registration would still have issued. *See generally Zip Dee*, 900 F. Supp. at 1009, citing *Citibank N.A. v. Citibanc Group, Inc.*, 724 F.2d 1540 1544 (11th Cir. 1984) (alleged misstatement must be a "but for" cause of registration). The short answer is that, even if Carolina had adequately alleged a misstatement as to the date of first use, the issue would not affect the validity of California's registration. As such, Carolina's allegation of fraud fails, and this claim also should be dismissed.

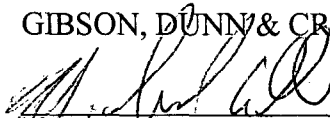
IV. CONCLUSION

For the reasons discussed above, Carolina's counter-claim should be dismissed as a matter of law.

Dated: December 16, 2002

Respectfully submitted,

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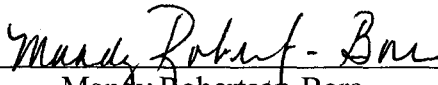
Opposition No. 125,615

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **OPPOSER AND CROSS-RESPONDENT'S REPLY IN SUPPORT OF MOTION TO DISMISS** was placed in the United States mail, first class, postage pre-paid, addressed to the following on this 16th day of December, 2002.

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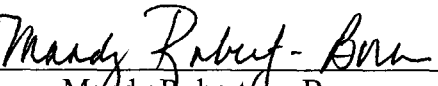
Attorneys for Applicant University of South Carolina


Mandy Robertson-Bora

CERTIFICATE OF EXPRESS MAILING UNDER 37 § CFR 1.10

I hereby certify that on December 16, 2002, the attached **OPPOSER AND CROSS-RESPONDENT'S REPLY IN SUPPORT OF MOTION TO DISMISS** (re Opposition No. 125,615) is being deposited with the United States Postal Service as Express Mail, postage prepaid, in an envelope addressed to:

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